

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF APACHE GAS TRANSMISSION)	
COMPANY, INC. FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY AUTHORIZING THE)	
IMPLEMENTATION OF A PIPELINE REPLACEMENT)	CASE NO.
PROGRAM, APPROVAL OF FINANCING PURSUANT)	2017-00168
TO KRS 278.300 AND APPLICATION OF APACHE GAS)	
TRANSMISSION COMPANY, INC. AND BURKESVILLE)	
GAS COMPANY, INC. FOR APPROVAL OF A GAS)	
PIPELINE REPLACEMENT SURCHARGE AND TARIFF)	

ORDER

On August 29, 2017, the Commission entered an Order in this case granting Apache Gas Transmission Company, Inc. (“Apache”) a Certificate of Public Convenience and Necessity (“CPCN”) to implement a pipeline replacement program (“PRP”), and to repair and replace existing natural gas pipelines. The August 29, 2017 Order also granted Apache approval to establish a PRP surcharge pursuant to KRS 278.509.

On November 21, 2017, Apache filed a motion to approve financing related to its PRP program. In the motion, Apache states that it has been able to secure financing through two loans from the Kentucky Highlands Investment Corporation. The first loan is for \$50,000 and carries a 7.5 percent interest rate, with a term of 72 months.¹ The second loan is for \$100,000, has a 7.5 percent interest rate, a term of 120 months, and is

¹ Motion to Approve Financing at 1.

contingent on approval of the Small Business Administration's granting of a 75 percent loan guaranty on the note.²

Pursuant to the August 29, 2017 Order, Apache established an escrow account in which to deposit its PRP surcharge revenues. The Commission finds that the PRP revenues in the escrow account, as well as any future PRP revenues collected, should be used to repay the loans.

IT IS THEREFORE ORDERED that:

1. Apache is authorized to obtain long-term debt in an aggregate amount not to exceed \$150,000, as set forth in its motion.
2. The proceeds from the loans authorized herein shall be used only for the purposes as detailed in Apache's PRP application.
3. Apache shall agree only to such loan terms as are consistent with this Order.
4. Apache shall, within 30 days from the date of finalizing the loans, file with the Commission a statement setting forth the date(s) of execution and the details concerning the financing, including the date of maturity, and the interest rate.
5. Any document filed in the future pursuant to ordering paragraph 4 herein shall reference this case number and shall be retained in the utility's general correspondence file.

Nothing contained herein shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

² *Id.*

By the Commission



ATTEST:


Executive Director

Case No. 2017-00168

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